

Tax Increment Financing (TIF) District Advisory Board 11.2.06 Meeting Minutes Town Hall Board of Selectmen's Meeting Room

Present:

Tom Brennan
Jim Dannis
George Infanti
John McCormack
Dave Roedel
Jack Ruonala (for Al Hicks)

Absent:

Len Mannino

Bill Parker, Director of Planning and Community Development/TIF Administrator
Rose Evans, Finance Director
Shirley Wilson, Recording Secretary

The first meeting of the TIF District Advisory Board was called to order at 7:30AM.

Bill Parker, TIF District Administrator, introduced each of the Board members:

Tom Brennan, Hendrix Wire and Cable
Jim Dannis, BOS representative
George Infanti, Perry Fields, LLC
John McCormack, Citizen-at-Large
Dave Roedel, Roedel Companies, Chalet Susse International
Jack Ruonala, MIDC (sitting in for Al Hicks)

B. Parker began the discussion by saying that the role of the Advisory Board was pretty straight forward as far as what it is supposed to do; all from state statute and in accordance with 162-K:14. B. Parker read the following from the 2006 warrant article:

Advisory Board: In accordance with 162-K:14, the Milford Selectmen shall create, by resolution of the legislative body, an Advisory Board for the Tax Increment Financing District (TIFD) and delineate its powers and duties. The board shall consist of as many members as the Board of Selectmen deems appropriate. A majority of the membership shall include owners or occupants of real property within or adjacent to the district. The function of the Advisory Board shall be to advise the Selectmen and district administrator on planning, construction and implementation of the development program along with maintenance and operation of the district after it has been completed.

B. Parker also referenced the letter from Katie Chambers dated May 10, 2006 and explained that Ms. Chambers, our previous Town Administrator had met with the Board of Selectmen at which time the duties of the TIFD Advisory Board were being worked on. J. Dannis stated that the BOS has no particular expertise in this matter and the Board is really looking to be told by professionals how this should be approached. B. Parker said that could be one of the charges of this group; to determine what we feel is important and make suggestions on how to go about that, perhaps using other towns as models.

R. Evans asked if the contract with Vear Commercial Properties for marketing the BROX industrial property had been renewed. B. Parker replied yes, through May, 2007. J. Dannis said it would be worth having him come in to brief us at this early stage about the inquiries and problems he's had and we could brainstorm around that. All agreed. R. Evans added that Keene has been very successful with their TIF District. It was suggested to bring in someone from there as well and B. Parker said he would contact Jack Dugan.

J. McCormack said we should be looking at what works in this area. The first part of any business plan is to look at the market and at who you're hoping to attract. We could also look at other areas to see how they went about this and the nature of the businesses they attracted. Then we would look at our own situation to see what we have, because tax incentives don't count if the logistics are not right; for example, the location and the workforce. Taking into account our own pluses and minuses we would then develop a marketing plan. J. McCormack also inquired about other developable property in the area and if there was existing stock. B. Parker replied that the existing stock was very limited, especially vacant properties with access and utilities.

G. Infanti said that we should look at the district, the zoning, and the allowed uses. In this area they are limited and he read the zoning parameters for the Industrial District.

Article V, Section 5.060 INDUSTRIAL DISTRICT (1995)

INTENT: The intent of the Industrial District is to provide areas for manufacturing, processing, assembly, wholesaling, research and development.

5.061 ACCEPTABLE USES

- A. Harvesting and/or processing of natural resources*
- B. Manufacturing (from Light manufacturing 2003)*
- C. Office buildings in excess of fifteen thousand (15,000) square feet*
- D. Research and development*
- E. Distribution and mailing facilities*
- F. Processing and warehousing*
- G. Telecommunication facilities (2000)*

G. Infanti continued that he is not sure if we have the market. It has been eight or nine years since this project has been started; we spent a lot of money originally and it sits. Is this a viable piece of property? Can Milford draw the resources for an industrial base to develop 100 acres? G. Infanti then used F.W. Webb coming to Amherst as an example. They built a 500,000 SF warehouse and the town is generating almost \$400,000 a year in taxes and it costs the town next to nothing. B. Parker said Webb had looked at this site, but the infrastructure wasn't there. G. Infanti said we don't have anything to offer, it's a dirt road to a 200 acre gravel pit. G. Infanti also said he has problems developing his own property adjacent to, but not in the TIF District, because the uses are too narrow. Brad Vear is marketing his property as well, and he has been able to bring no one to the table. We cannot make it work for strictly industry; maybe we should be looking at the Limited Commercial and Commercial uses. G. Infanti stated this was not personal, but from experience, and we should find a way to bring more uses in for this real issue. The Planning Board or Zoning Board should rethink the uses for this area because it won't do any good to just sit.

T. Brennan inquired what the role of the MIDC would be and if this board will act as an advisory group to the BOS or an advisory group to the MIDC? J. Dannis said he didn't have that answer; although he thought the TIF District was meant as an overlay to enhance efforts of the MIDC, just another tool.

J. Ruonala said that the MIDC of and by itself could not qualify as a TIF Advisory Board based on state regulations, a separate entity had to be created because the MIDC membership did not meet the requirements of the advisory board. The Milford Industrial Development Corporation (MIDC) was created to try to generate interest to develop industrial properties in the community but met with very little success. The major accomplishment was actually convincing the town to acquire the Brox property so that it couldn't be developed in a way that was detrimental to industrial development in the future. The

next step was to develop the property and that is where the committee ran into problems. The infrastructure costs are massive and how do we offset that cost? Another option considered was selling off the portions partially to develop the infrastructure partially. The TIF District was proposed to the taxpayers and they voted in support, so now we have a method to develop the property, but we still need an interested party.

B. Parker added that there was much discussion at the April MIDC meeting about its direction and where it needs to go. T. Brennan said he has sat on the committee for a long time and felt the MIDC would be happy to share roles, but emphasized the need to give MIDC a clear direction.

D. Roedel said development doesn't happen in a vacuum and we should find out what challenges we are facing. I look at this as an opportunity to address how to make this work. We are all abutters and we should look at all the gateways to this property; the egress, the access and what it looks like. There is a whole interchange which affects not only the Brox property, but the abutting properties as well. That whole area is growing and even though there are separate issues, the gateway will bring this together as a whole. Zoning plays a role, and I agree that this shouldn't be all industrial. People are doing mixed use developments now with more flex. You have more attractive fronts; the office fronts with the industrial areas behind. D. Roedel then referenced E. Windsor, NJ and described how the area expanded with commercial in front that phased into the DHL warehousing in back. You have to put the whole thing together to offset some of the utility costs. If you can get a big developer to redevelop that interchange, it would bring all that in. B. Parker noted that there has been some interest in the New England Steel building. We also had a large development firm from Connecticut come in to discuss the whole area. They talked about the very same thing and B. Parker stated that we do need to look at our industrial zoning. About ten years ago, we created the ICI zone which allowed for more uses, but at that time it was thought to keep an area for purely industrial use and not allow the industrial areas to be turned into large tracts of mini-warehousing. However, times are changing. D. Roedel said our assignment is to look at Brox, but we can't overlook the fact that there is an interest in Brox that is vital to that development.

J. Dannis said that the TIF District is one element of making this happen. The question to ask is whether this Board is supposed be a strategic board or more of a technical board that piggy-backs onto plans being made by MIDC. Again the role of the MIDC should be defined. We should define the right answer and then make it happen. On another point, strategically speaking, we know the market essentially has zero value, so we have to do something different or take a different approach. We need to face reality. We need to think broadly and, looking at other models out there, we need to consider what the very best package of land use would be to make it more attractive. J. McCormack suggested, in thinking strategically along those lines, looking at Keene and whoever else they modeled and then we could address the other factors at play.

J. Ruonala said that MIDC was started about sixteen years ago and we knew what we wanted to do, but it was just too soon. If you look back, there were all kind of parcels of land between Nashua and Milford. Currently, you would be hard pressed to find a parcel of land, and slowly but surely, development is moving into the Milford area. So we may be on the cusp of development, which means that we need to have a set of rules and regulations in place that make sense, keeping it as simple and straightforward as we possibly can. B. Parker agreed with what was just said, that this group's role should be kept very specific as to dealing with the TIF, and maybe have the MIDC focus on a town-wide economic development plan with some people from this group.

T. Brennan stated that maybe the initial role could be to establish how to strategically position the property to maximize the benefit to the town, which may include rezoning. Everyone agreed that zoning will play a key role. J. Dannis agreed as long as no toes were stepped on. J. Ruonala also noted that if we get involved in this to any degree, the problem of the budget will have to be addressed. T. Brennan

advised the group that some of the money in MIDC's budget came from corporate donations and we would have to be careful in using it. A brief discussion followed.

G. Infanti reiterated that we are running out of room on 101A and developers are now looking at Rte 101. The problem is that they may not be looking for industrial use. We have an incredible location right off Rte 101. Years ago we spoke to the State about an off ramp, which they were not excited about but since then the State has become more flexible. They have allowed an emergency access ramp for the Merrimack High School and are considering the same for another elementary school in Amherst. J. McCormack said in terms of stepping on toes, would there be any problems with the existing residential neighborhood. B. Parker replied that he didn't think so, but it would depend on where we take this and on what would be proposed. Over the years there have been some issues, but very little as of late. There will be issues with traffic certainly, but land use people would like to see something happen out there. The thought has always been to funnel the industrial traffic through Perry Rd. If the southerly Brox area develops for community uses, one goal is to get build another access to the school through the Brox property from the north. B. Parker explained this northerly access to the school will carry a very significant amount of traffic from the more densely developed areas of town.

J. McCormack inquired about other TIFD models in New Hampshire. B. Parker said Peterborough had formed one. R. Evans added that Derry just recently formed a TIF District which has been very successful. D. Roedel mentioned the Cabela's situation in Hooksett and added that the exit 10 area was totally redeveloped with major commercial zoning. Hooksett has done a lot of creative things. T. Brennan wondered what impact those businesses have on the infrastructure as compared to a FedEx warehouse. D. Roedel also brought up Epping's Rte 125 explosion and the strain that the 24-hr Wal-Mart put on emergency services. There are lessons to be learned from other communities; will the costs offset the tax benefits. G. Infanti said that with the amount of taxes Wal-Mart pays, Amherst could put in a police substation, but it wasn't really necessary as they are tax positive. T. Brennan said that would be type of answers we would need to have for the BOS; the effects on similar sized towns.

R. Evans said that she was asked to put together a pro forma plan last year and continued by explaining how a TIF operates; basically by establishing a value and any additional assessment that comes in, taxes would go towards paying down the debt. The theory was that we would have the money from the sale of the land to give us some working capital, up front, and it could be two to three years before we see the value show up on the tax roles. We would borrow money to build or create the infrastructure so the developers could hook up to it. J. Dannis said that we wouldn't actually perceive any particular plan until we have a very well defined program, which would only be as successful as the businesses that generate tax revenue. We would put a plan in place but would not build the infrastructure without part of a deal in place at the time of the land sale. D. Roedel added that in a real world situation a developer could come in and build the interchange at no cost to the town.

J. Ruonala said that what the taxpayers will have to understand is that once we go forward with this, the money that is generated goes to the TIF District until such time as the entire infrastructure is complete and then would eventually go on, into the general fund. J. Dannis said we shouldn't exclude the potential outcome that we may find that having a TIF District is not necessary; the rezoning or other directions may outweigh or minimize the non-materiality of the TIFD. A discussion regarding the possibilities followed.

D. Roedel inquired about the cost of the property. B. Parker said the land cost 1.4 million for 270 acres and clarified that the school bought their 50-acre piece before the Town purchased this piece. The adjacent 100 acre parcel was also brought up and B. Parker told the group that the Hawes parcel has been on the market for awhile because it doesn't really have any direct access other than a class VI service road. B. Parker added that staff has had two meetings in the office with a development firm called LandQuest, out of Connecticut who is trying to do some sort of manufactured housing community out

there. Being very open and honest at these meetings, it was mentioned that any housing project would not be a big hit with the Town. However, they seem to think if there is a way to work out the infrastructure out there, maybe the Town would be willing to talk. J. McCormack inquired if there were any restrictions to that land. B. Parker said it was surrounded by Beaver Brook conservation land and adjacent to property that Tom Lorden was interested in which comes in off Mason Rd. These developers understood TIFs and their probable next steps would be talking to this group, talking to the Planning Board and also to the Selectmen because it would take major changes to allow what they would want to do in exchange for building infrastructure. Access would come off the service road through the Brox property with a possibility through Tom Lorden's piece. J. Ruonala said that the landlocked parcel 38/10 owned by the Hansens would also have to be considered.

J. McCormack said that while this may not look attractive, he has read about the lack of affordable housing for young people in New Hampshire and recognizes that this puts more burden on the rest of town services. They are not necessarily higher taxpayers, but at some point this will also be of interest to industry, because you have to provide a place for your workers. B. Parker said that was an excellent point and we are just sort of in that place with the Town to understand that concept; this has been a very anti-residential growth community in the past five years. We do need to understand that we will need housing to support whatever economic development we are trying to do. J. Dannis that it is easy to say housing that doesn't cost a lot increases burden and therefore is bad; however, it is a tough message to bring that although we have enough housing in town, we do have room for more of it. There is a statewide and regional housing problem. A discussion followed. B. Parker added that the new buzzword is workforce housing, for town employees, teachers, police officers, etc; those with a combined income of \$60,000. There is a group in Nashua with big backers called the Workforce Housing Coalition that is trying to get the issue moving forward. J. McCormack said that should be incorporated into the marketing of this property.

B. Parker said he will invite Brad Vear and also Jack Dugan of Keene or Doug Brown of the Gateway Economic Development group and gather zoning information for the next meeting. The date will be set based on their availability. J. Ruonala suggested that maybe they could bring their bylaws so we wouldn't have to reinvent the wheel. B. Parker said he already asked and was told they didn't have them; however, we do have the MIDC bylaws. J. McCormack inquired if Keene had the joint and split responsibilities the way we do; have they integrated that. J. Ruonala said that all three men have come before the MIDC and have been very relaxed about doing so and were very forthright. B. Parker said he will try to schedule the next meeting for the week after Thanksgiving.

The meeting was adjourned at 8:25AM.